

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION**

In Re:

CASE NO. 10-09304-8-SWH

**Creative Machining Solutions, Inc.,
Debtor-in-Possession**

Chapter 11

EMERGENCY MOTION TO SELL ASSETS AND ASSIGN LEASE INTERESTS

COMES NOW Creative Machining Solutions, Inc., Debtor-in-Possession in the above captioned case [hereinafter “Debtor”], and, pursuant to § 363 and §365 of the Bankruptcy Code, hereby moves the Court for the authority to sell assets and assign lease interests to JMC Tool and Machine Co. [hereinafter “JMC”] and in support thereof shows unto the Court the following:

1. On 10 November 2010, the Debtor commenced this case by filing the above-captioned petition under Chapter 11 of the United States Bankruptcy Code.
2. The Debtor is a North Carolina corporation operating a machining company operating in Apex, NC. While the Debtor has maintained consistent gross revenue, its profit margins have dwindled over the past few years.
3. Due to its continuing inability to meet profitability, it sought out a purchaser for its company. For some time now, the Debtor has been in discussions with JMC to purchase its assets.
4. While JMC performed its due diligence, the Debtor and JMC negotiated with the two lienholders on the Debtor’s assets, Crescent Bank, its secured creditor and American Bank, its equipment lessor. Between the master equipment lease held by American Bank and the secured commercial loans of Crescent Bank, it is the Debtor’s belief that little to no assets remain unencumbered.
5. With the four parties working together to reach a resolution, an agreement was reached to sell the assets to JMC. The terms of the final agreement shall be filed with this Motion under seal. In summary, JMC will make payment to Crescent Bank and American Bank at closing in full satisfaction of their liens against the assets and further claims against the estate. The Debtor will provide the final sale contract at the hearing on this matter.
6. However, one of JMC’s condition of sale was that Creative consummate the sale through a bankruptcy proceeding. This effort was made to ensure that JMC would receive good title to the assets free and clear of all liens.
7. This condition is not without circumstances. The arrangements made with the lienholders was conditioned on the transaction being completed on or about 9 November 2010. Also, the Debtor continues to struggle to keep its business alive to ensure the going concern value for the buyer JMC.

8. This sale must therefore be completed in an expedited manner. The Debtor is confident that should this sale be lost, it could not find a replacement buyer before it would be forced to liquidate. JMC has also agreed to continue to employ the current workers of the Debtor. The outcome of saving eleven jobs and granting an otherwise impossible return to creditors warrants that the sale be consummated on an expedited basis.

9. The Debtor submits to the Court that it believes in its business judgment that the sale is in the best interests of its creditors and if it is not allowed in an expedited manner that the estate, its employees and its creditors will suffer immediate, irreparable harm.

WHEREFORE, the Debtor respectfully requests the Court to enter an Order approving the agreement between the parties and authorizing the Debtor to sell the property free and clear of all liens and encumbrances and such further relief as the Court may deem appropriate.

Respectfully submitted this 10th day of November 2010.

J.M. Cook, P.A.

By: /s/

A handwritten signature in dark ink, appearing to read "J.M. Cook", is written over a solid black horizontal line.

J.M. Cook
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Creative Machining Solutions, Inc.
Debtor-in-Possession

/s/ Allan Swicegood
Allan Swicegood
President

CERTIFICATE OF SERVICE

I, J.M. Cook, of P.O. Box 2241, Raleigh, North Carolina, 27602, certify:

That I am, and at all times hereinafter mentioned was, more than eighteen (18) years of age;

That on this day, I served copies of the foregoing Motion electronically upon the Bankruptcy Administrator, other counsel of record appearing on the docket and upon the following parties by mailing, postage prepaid, first class mail, addressed as follows:

Creative Machining Solutions, Inc.
Attn: Allan Swicegood, Pres.
1011 Classic Road
Apex, NC 27539

I certify under penalty of perjury that the foregoing is true and correct.

This 10th day of November 2010.

J.M. Cook, P.A.

By: /s/

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